Services and Labor and Human Resources of the Senate and the Committees on Armed Services and Education and Labor of the House of Representatives a report describing the criteria and procedures the Secretary will use to select recipient agencies for assistance under subsection (a).

(d) REPORT ON IMPACT AID.—Not later than December 31, 1989, the Secretary of Defense, in consultation with the Secretary of Education, shall submit to the Committee on Armed Services and the Committee on Labor and Human Resources of the Senate and the Committee on Armed Services and the Committee on Education and Labor of the House of Representatives a report on the feasibility and desirability—

(1) of transferring to the Department of Defense by October 1, 1991, impact aid responsibilities for schools impacted by Department of Defense activities; and

(2) of providing support services (including funds for facilities) to schools receiving impact aid as a result of the presence of dependent children of members of the Armed Forces or of civilian employees of the Department of Defense.

PART B—LIMITATIONS

SEC. 311. PROHIBITION ON PAYMENT OF SEVERANCE PAY TO FOREIGN NATIONALS IN THE EVENT OF CERTAIN BASE CLOSURES

(a) CERTAIN SEVERANCE PAY COSTS NOT ALLOWABLE COSTS WITH RESPECT TO SERVICE CONTRACTS PERFORMED OUTSIDE THE UNITED STATES.—(1) Subsection (e)(2) of section 2324 of title 10, United States Code, is amended—

(3) by redesignating subparagraph (N) as subparagraph (O); and

(4) by inserting after subparagraph (M) the following new subparagraph (N):

"(N) Costs of severance pay paid by the contractor to a foreign national employed by the contractor under a service contract performed in a foreign country if the termination of the employment of the foreign national is the result of the closing of, or the curtailment of activities at, a United States military facility in that country at the request of the government of that country.".

(2) Subparagraph (N) of such subsection, as added by paragraph (1), shall not apply with respect to the termination of the employment of a foreign national employed under any covered contract (as defined in subsection (1) of such section) if such termination is the result of the closing of, or the curtailment of activities at, a United States military facility in a foreign country pursuant to an agreement entered into with the government of that country before the date of the enactment of this Act.

10 USC 2324 note.

(b) PROHIBITION ON PAYMENT OF SEVERANCE PAY TO FOREIGN NATIONALS EMPLOYED BY THE DEPARTMENT OF DEFENSE.—(1) Chapter 81 of title 10, United States Code, is amended by adding at the

end
the following new section:

"§ 1592. Prohibition on payment of severance pay to foreign nationals in the event of certain overseas base closures

"Funds available to the Department of Defense may not be used to pay severance pay to a foreign national employed by the Department of Defense under a contract performed in a foreign country if